

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Neighbourhoods and Community Services Scrutiny Panel      **DATE:** 16th June 2011

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**WARD(S):** All

### **PART I** **FOR COMMENT AND CONSIDERATION**

#### **TEN PIN AND TENNIS PROGRESS**

1. **Purpose of Report**

1.1 This report is to advise the Scrutiny Panel of the take up of the new ten pin and tennis offers, after the first six months of the service becoming operational.

2. **Recommendation(s)/Proposed Action**

2.1 The Panel is requested to note and comment on the report.

3. **Community Strategy Priorities**

- **Celebrating Diversity, Enabling inclusion**
- **Adding years to Life and Life to years**
- **Being Safe, Feeling Safe**
- **Prosperity for All**

3.1 The new ten pin and tennis facilities provide attractive, safe venues for the residents of Slough to participate more regularly in physical activity which in turn contributes towards improved quality of life and healthy lifestyles.

4. **Other Implications**

(a) **Financial**

Slough Community Leisure (SCL) has given an unconditional undertaking to reduce the management fee it receives from the Council by £65,000 per annum from 2012 as a result of the financial benefit that the Ten Pin Centre is budgeted to achieve. If this benefit is not fully realised at that point, SCL will support this saving with the use of surpluses from its non-Council managed facilities thus mitigating any direct financial risk to the Council.

(b) **Human Rights Act and Other Legal Implications**

There are no direct human rights or legal implications arising from this report.

(c) **Workforce**

There are no direct workforce implications arising from this report.

## 5. Background

5.1 The Community, Leisure and Environment Scrutiny Panel following their meeting on 24<sup>th</sup> March requested a follow up report detailing progress on the ten pin and tennis facilities based in Salt Hill Park.

### 5.2 Ten Pin

Slough Tennis Centre closed in May 2010 and work commenced immediately to convert the building into a modern ten pin bowling facility with 18 lanes and ancillary services. The £1.7m project was delivered within 1% of budget and 1 week ahead of schedule. The Centre opened to the public on 17<sup>th</sup> September 2010.

5.3 The Centre suffered three separate break-ins during the first six weeks of trading. These resulted in a significant loss of revenue, damage to the building and contents and ultimately the withdrawal of all gaming and arcade machines by the Centre's suppliers, whose machines were the target of each break-in. In addition as with any new venture staffing levels were set high in order to deliver the required service. With time and experience staffing and other operational systems are being tightened to reflect usage more accurately.

### 5.4 Performance

**Financial** - The table below sets out the financial summary of the performance of ten pin during the first 7 full months of trading.

	<b>Surplus / Loss</b>
October	£6,277
November	-£5,011
December	-£29,442
January	-£14,294
February	£14,633
March	-£2,961
April	-£4,851

5.5 November and December were very challenging months for the business, with income falling short significantly in both months. November income was further reduced by the removal of all gaming and arcade machines for a period of 3 weeks while a new supplier was identified, following the third break-in. December business was forecast to be significantly improved and close to achieving budget. However, the busiest weekend of the year, with income forecast to be around £20,000, coincided with heavy snowfall and income did not reach £1,500. February half term was one of the busiest trading weeks of the year for ten pin bowling and the centre performed well throughout the month.

5.6 SCL has committed a £65,000 per annum saving from the management fee from 2012 as a result of the financial benefit the ten pin centre is budgeted to achieve. If this benefit is not fully realised SCL will support this saving with the use of surpluses from its non-Council managed facilities, thus mitigating any risk to the Council.

5.7 **Usage** - The SCL business plan called for around 9,000 visits per month. In the first 6 months of opening the ten pin facility there have been 44,690 recorded visits, averaging 7,400 visits per month at present. For the same 6 months in 2009/10 the indoor tennis centre received 10,073 visits. Lane occupancy has now increased from 36% in September to 57% in April. Performance is therefore

still short of achieving projected targets, but SCL have informed the Council that with the pattern of increased usage they are assured of the centres ongoing potential to achieved set targets.

- 5.8 **Marketing** - The following table summarises the first phase of marketing activity during the pre-sale and first 6 months of trading in-line with the marketing action plan.

Banners	25
Newspaper Wraps	6
Leaflets – Newspaper Distribution	157,000
Billboards, Bus Stops, Phone Box Ads	18
Full Page Newspaper Adverts	13
Promo Girls and Adbikes	8
Leaflets	64,500
Radio Adverts	114
Bus Adverts	16
Large Posters (A0)	8
Corporate Brochure	1000
Databases	7
Emails Sent	29,153
Text Messages Sent	43,000

- 5.9 A total of £42,117 has been spent on marketing the new facility to date. SCL employs a specialist marketing agency to support its work. This agency is also employed by many other major leisure contractors and has an excellent reputation for establishing new leisure businesses. At the end of September 2010 a survey in the Town Centre showed that only 18% of those surveyed were aware of the new facility. This same survey was repeated in May 2011 and showed that general awareness has more than doubled to 43%.
- 5.10 A second phase of marketing is aimed at being more tactical and focuses on specific promotions and events and increasing data capture. Marketing is more and more moving to a digital format with less traditional marketing taking place. This is especially the case with younger target markets like those likely to regular visit ten pin. SCL has developed its digital marketing further than any other leisure contractor. The Absolutely Ten Pin Facebook page has around 550 followers who receive regular updates on news and promotions at the centre. In addition to this, SCL has captured over 1,500 mobile and email addresses that it regularly sends offers to. Opening and redemption rates have steadily increased and are now exceeding average rates for this type of marketing, sometimes achieving over 20% opening rates.
- 5.11 **Catering** - The food and beverage offer at ten pin has been well received. A conscious decision had been taken at the development of the project to offer a superior catering experience to other bowling and leisure venues. To that end, Ten Pin uses only award winning Exmoor burgers and makes its own homemade produce. A licensed Starbuck’s coffee service was introduced to further enhance the quality of the offer. Income from food and beverage has achieved its budgeted target despite the bowling usage being short of target. This demonstrates that customers are using the venue for the food and beverage service and that more bowlers than expected are eating and drinking while they play.

5.12 **Customer Feedback** – Ten pin has received considerable feedback since its opening, the vast majority of which has been hugely positive. There has been a consistent message that the venue is poorly signposted and particularly difficult to find for visitors from outside the local area.

5.13 A number of tasks have been identified to improve performance in the coming months reducing costs. These include:

- Reviewing staffing levels to become more flexible to meet demand
- Investigating alternative advertising methods to avoid difficulties with signage approval on Bath Road
- New midweek offers
- Outbound sales calls for corporate business
- Investigate membership offers including after-school memberships.

5.14 **Tennis**

The new tennis facilities in Salt Hill Park were formally opened on 10<sup>th</sup> April and were developed in partnership with the Lawn Tennis Association (LTA), Gary Drake Tennis (GDT) and Slough Community Leisure (SCL). The new facilities comprising eight re-surfaced, floodlit courts with a new club house facility are being operated by GDT who are offering a full tennis development programme for the local community at affordable rates.

5.15 The £220,000 project was funded through Section 106 contributions and grant funding from the Lawn Tennis Association. In addition we are currently working with the Lawn Tennis Association to identify revenue funding to enhance coaching programmes for young people and will be submitting a Sport England ‘Sportivate’ application for tennis development in schools, delivered by GDT.

5.16 **Performance** – The tennis facility is becoming increasingly busier as the weather continues to improve. Marketing has been aimed at the junior market working with the Schools Sports Partnership to promote the new facility and the development programme available, including holiday sport’s camps. No members of the former Slough Tennis Club, which was an unaffiliated club, have chosen to take up membership of the new facility. Slough Borough Council employees have also been offered the opportunity to use the courts at very competitive rates, including one to one coaching and cardio tennis sessions. During May these activities were free to all staff and will continue into June.

5.17 To date the following usage figures have been achieved in the first two months of operation:

<b>Category</b>	<b>Target 2011/12</b>	<b>Actual to date</b>
Membership		
➤ Adult	20	5
➤ Junior	20	9
➤ Mini’s	10	8
Coaching		
➤ Adult	30	15
➤ Juniors	120	65
Pay and Play average weekly court bookings	25 average based on usage throughout the year	12

5.18 The grant terms and conditions set by the LTA for the tennis court refurbishment scheme require the Council to report performance annually to their Board. The targets identified above are in line with similar schemes operating in the region. Initial indications show that the new facility is being well used by children and young people in particular. Pay and play figures are lower than expected but free tennis courts are still available in the borough, although the standard of facilities do not match those of Salt Hill.

7. **Conclusion**

7.1 The new ten pin and tennis developments have enhanced the leisure offer available to the residents of Slough demonstrating effective and improved use of the Council's assets. Whilst the first six months of performance of ten pin has not achieved the projected targets set out in the SCL business plan there are signs of increased usage each month. SCL have confirmed that the £65,000 annual saving to the management fee from the ten pin budget will be met even if projected income falls short of the targets identified in the business plan, mitigating all financial risk to the Council.

8. **Appendices attached**

8.1 None

9. **Background Papers**

9.1 None